110TH CONGRESS 2D SESSION

H. R. 7303

To amend the Internal Revenue Code of 1986 to allow a one-time, \$1,500 credit against income tax for the purchase an automobile manufactured in the United States.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2008

Mr. Gohmert introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a one-time, \$1,500 credit against income tax for the purchase an automobile manufactured in the United States.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE.
- 4 This Act may be cited as the "Consumer and Auto-
- 5 motive Recovery Act of 2008" or the "CAR Act".
- 6 SEC. 2. AMERICAN-MADE AUTOMOBILE CREDIT.
- 7 (a) IN GENERAL.—Subpart A of part IV of sub-
- 8 chapter A of chapter 1 of the Internal Revenue Code of
- 9 1986 (relating to nonrefundable personal credits) is

1	amended by inserting after section 25D the following new
2	section:
3	"SEC. 25E. AMERICAN-MADE AUTOMOBILE CREDIT.
4	"(a) Allowance of Credit.—In the case of an in-
5	dividual who places in service a qualified vehicle during
6	the taxable year, there shall be allowed as a credit against
7	the tax imposed by this subtitle for the taxable year an
8	amount equal to \$1,500.
9	"(b) Limitation Based on Modified Adjusted
10	GROSS INCOME.—
11	"(1) IN GENERAL.—The credit which would
12	(but for this paragraph) be allowed under subsection
13	(a) for the taxable year shall be reduced (but not
14	below zero) by the amount determined under para-
15	graph (2).
16	"(2) Amount of Reduction.—The amount
17	determined under this paragraph is the amount
18	which bears the same ratio to the amount which
19	would be allowed as—
20	"(A) the excess of—
21	"(i) the taxpayer's modified adjusted
22	gross income for such taxable year, over
23	"(ii) \$125,000 (\$250,000 in the case
24	of a joint return), bears to
25	"(B) \$10,000.

1	"(3) Modified adjusted gross income.—
2	The term 'modified adjusted gross income' means
3	the adjusted gross income of the taxpayer for the
4	taxable year increased by any amount excluded from
5	gross income under section 911, 931, or 933.
6	"(c) Qualified Vehicle.—For purposes of this sec-
7	tion, the term 'qualified vehicle' means any motor vehicle
8	(as defined in section $30(c)(2)$)—
9	"(1) substantially all of the manufacturing of
10	which occurred in the United States,
11	"(2) which is acquired for use by the taxpayer
12	and not for resale,
13	"(3) the original use of which commences with
14	the taxpayer, and
15	"(4) which has a vehicle gross weight rating of
16	not more than 14,000 pounds.
17	"(d) Special Rules.—For purposes of this sec-
18	tion—
19	"(1) One-time only.—If a credit is allowed
20	under subsection (a) with respect to an individual
21	who places in service a qualified vehicle, no credit
22	shall be allowed with respect to any other vehicle
23	placed in service by such individual.
24	"(2) Basis reduction.—The basis of any
25	property for which a credit is allowed under sub-

- section (a) shall be reduced by the amount of such credit.
- "(3) ELECTION NOT TO TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicles.
- 7 "(4) NO DOUBLE BENEFIT.—The amount of 8 any deduction or other credit allowable under this 9 chapter with respect to a vehicle shall be reduced by 10 the amount of credit allowed under subsection (a) 11 for such vehicle for the taxable year.
- "(5) 12 **PROPERTY** USED OUTSIDE UNITED 13 STATES, ETC., NOT QUALIFIED.—No credit shall be 14 allowed under subsection (a) with respect to any 15 property referred to in section 50(b) or with respect 16 to the portion of the cost of any property taken into 17 account under section 179.
- "(e) TERMINATION.—This section shall not apply to 19 any vehicle purchased more than 180 days after the date 20 of the enactment of this Act.".
- 21 (b) CLERICAL AMENDMENT.—The table of sections
- 22 for subpart A of part IV of subchapter A of chapter 1
- 23 of such Code is amended by inserting after the item relat-
- 24 ing to section 25D the following new items:

[&]quot;Sec. 25E. American-made automobile credit.".

- 1 (c) Effective Date.—The amendments made by
- 2 this section shall apply to property purchased after the
- 3 date of the enactment of this Act for taxable years begin-

4 ning after such date.

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